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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
DELPHI CORPORATION, et al.,)	Case No. 05-44481 (RDD)
)	
Debtors.)	Jointly Administered
)	

**PRELIMINARY OBJECTION OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS TO THE PROPOSED MODIFICATIONS TO THE
DEBTORS' CONFIRMED PLAN OF REORGANIZATION AND TO THE SALE OF
SUBSTANTIALLY ALL THE DEBTORS' ASSETS AS AN ALTERNATIVE TO A PLAN**

The Official Committee of Unsecured Creditors (the "Committee") appointed in the chapter 11 cases of Delphi Corporation, *et al.* (collectively, the "Debtors"), by and through its counsel, hereby files this Preliminary Objection to the Debtors' proposed modifications to the chapter 11 plan that this Court confirmed in January 2008 (such plan as the Debtors seek to modify, the "Proposed Modified Plan") and to the sale of substantially all of the Debtors' assets as an alternative to a plan. In support of this Preliminary Objection, the Committee respectfully states as follows:

BACKGROUND

1. On October 8, 2005 (the “Petition Date”), thirty-nine of the Debtors filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On October 14, 2005, the three remaining Debtors also filed voluntary petitions.

2. The Committee was appointed nine days after the Petition Date, on October 17, 2005.¹ The Committee selected Latham & Watkins LLP as its counsel, Mesirow Financial Consulting LLC as its financial advisor and Jefferies & Company, Inc. and Moelis & Company LLC as its co-investment bankers.

3. On June 1, 2009, the Debtors filed a supplemental motion for an order (a) approving the Proposed Modified Plan and related disclosures and voting procedures and (b) setting a final hearing date to consider approval of the Proposed Modified Plan. In that motion, the Debtors also requested that this Court establish an alternative sale hearing date in case the Proposed Modified Plan was not approved. On June 9, 2009, the Committee filed an objection to that motion (the “Committee Objection”).

4. On June 16, 2009, this Court approved disclosures and voting procedures relating to the Proposed Modified Plan and established July 23, 2009 at 10:00 a.m. as the date and time for the hearing to consider approval of the Proposed Modified Plan. Alternatively, if the Debtors are not able to implement the transactions contemplated by the Proposed Modified Plan through a chapter 11 plan, this Court will conduct an asset sale hearing under section 363 of the Bankruptcy Code on the same date and time.

¹ The current members of the Committee are: (a) Freescale Semiconductor, Inc.; (b) IUE-CWA; (c) Wilmington Trust Company, as Indenture Trustee and (d) Tyco Electronics Corporation. The Pension Benefit Guaranty Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America are *ex officio* members of the Committee.

5. The Committee firmly opposes both the Proposed Modified Plan and the section 363 sale alternative, for the reasons, among others, stated in the Committee Objection. The Debtors have taken the position, as they have previously on numerous other occasions, that the Committee may not conduct discovery with respect to the Proposed Modified Plan or the proposed alternative section 363 sale until a contested matter exists. Accordingly, the Committee is filing this Preliminary Objection to create a contested matter, and it intends to conduct discovery of the Debtors and other parties with respect to numerous aspects of the Proposed Modified Plan and the proposed alternative section 363 sale. The Committee reserves all rights to supplement or amend this Preliminary Objection prior to the July 23, 2009 hearing.

WHEREFORE, the Committee respectfully requests that this Court grant the Committee such relief that it deems just and proper.

Dated: June 17, 2009
New York, New York

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